

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 725 - SB 776

March 23, 2015

SUMMARY OF BILL: States the intent of the General Assembly that the state's refugee resettlement program be administered by the Department of Human Services (DHS) in a manner consistent with the state administration of the program prior to 2008 and in compliance with the Refugee Absorptive Capacity Act. Requires DHS to negotiate with the federal Office of Refugee Resettlement to reacquire state administration of the refugee resettlement program. The Commissioner of DHS is to report to the State and Local Government Committee of the Senate and the State Government Committee of the House of Representatives as to the progress made in the reacquisition of state administration of the program by January 15, 2016. If the program has been reacquired by that date, then the report should be on the general administration of the program.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Exceeds \$150,000

Increase Federal Expenditures – Exceeds \$193,700

Assumptions:

- In 2008, the State relinquished its administration of the federal refugee resettlement program. At the time the program was relinquished the state had one employee administering the program as a portion of the employee's duties.
- The federal government awarded administration of the program to the Catholic Charities of Tennessee.
- The Tennessee Office for Refugees currently administers the estimated \$8,900,000 Wilson-Fish grant program. The office has 10 full-time dedicated staff members working exclusively on the program which are funded through administrative allocations from the Wilson-Fish grant and through other grant sources.
- It is assumed that the state would continue to operate the program under the current grant requirements and would have to ensure administration of the program would be equitable to the administration provided by the Tennessee Office for Refugees for the federal government to agree to the state reacquiring administration of the program.
- DHS estimates administration of the program at a level that will be approved by the federal government will require five additional employees. These employees include a program manager, a program specialist, an accountant, a program monitor, and a nurse practitioner. These additional employees will result in expenditures estimated to be \$343,656 (\$260,352 salaries + \$83,304 benefits).

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- Based on information provided by DHS, the allowable positions funded by the federal grant are unclear, but the department assumes three of the five positions would be federally funded at a cost of \$193,656. Approximately \$150,000 of staff payroll and operational expenses are estimated to be state funded.
- There will also be substantial systems development costs to maintain and monitor data for state and federal audit purposes.
- Based on information from DHS, services would be administered to an estimated 1,500 refugees in a given month. With state administration of the program, these individuals will become eligible for certain federal and state administered programs even if otherwise ineligible, such as TANF benefits and child care benefits.
- Refugees are also eligible for medical insurance coverage equivalent to, or better than, Medicaid coverage.
- The Tennessee Office for Refugees currently offers medical assistance and other benefits so not all refugees are currently enrolled in these programs.
- The state does not currently have any way to determine the number of refugees that are currently enrolled or have been enrolled in any state or federal administered benefit programs; therefore, the state and federal fiscal impact to these programs cannot be reasonably determined.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Jeffrey L. Spalding, Executive Director

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